

San Francisco County Economic Forecast

San Francisco County is the principal labor market center of the West Bay region. Total non-farm employment in 2002 averaged 536,000 jobs. The county accounts for 54 percent of total non-farm jobs in the 3-county metro area that also includes Marin and San Mateo Counties.

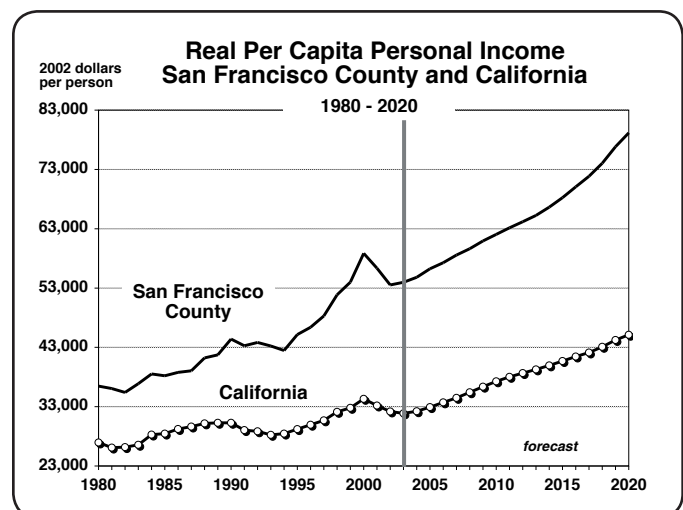
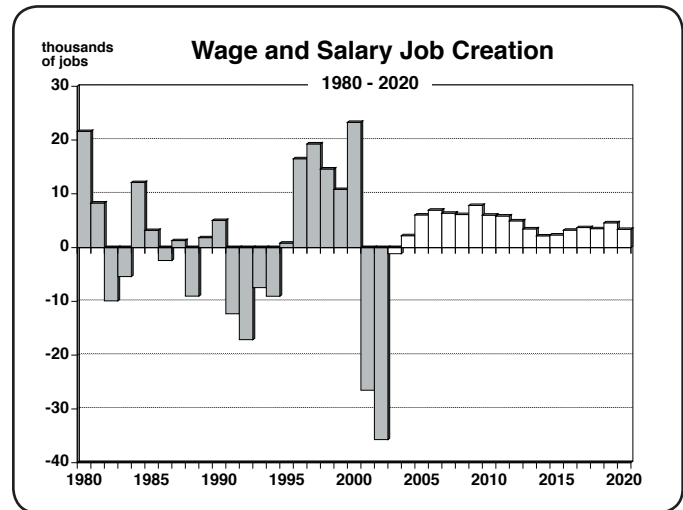
Between 1995 and 2000, the county created 85,000 jobs, a 17 percent increase in total non-farm wage and salary employment. Then from 2000 to 2002, 62,000 jobs were lost.

As of May 2003, the labor market in the broader metro region is off by another 22,000 jobs but the unemployment rate has remained relatively steady at 5.7 percent. A significant amount of the job loss has occurred in business services which includes the Internet provider, advertising, and website production businesses. The manufacturing and transportation sectors are also subject to large declines in employment.

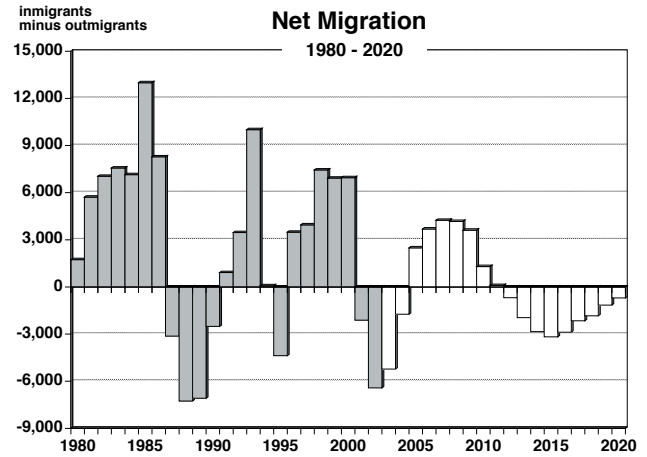
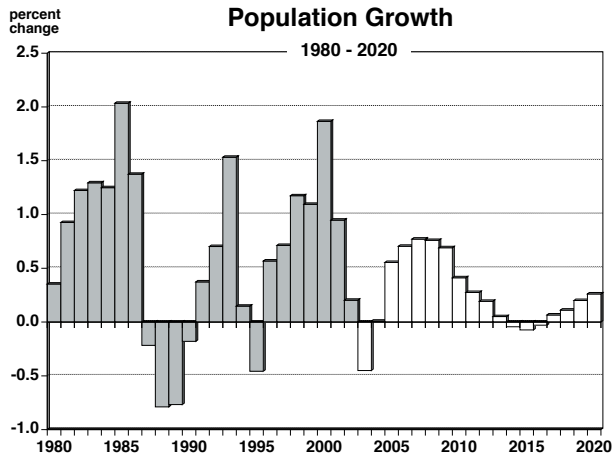
High vacancy rates for commercial space are still indicative of the city center in mid-2003. Housing prices remain high, and are not likely to decline much this year or over the next several years. Housing availability remains scarce and few new units will be built in the county over the forecast horizon, due principally to space constraints.

Forecast Highlights

- The job growth forecast remains tenuous in 2003. Positive job growth is forecast to begin in 2004. Between 2003 and 2008, job growth is forecast to average 1 percent per year. Longer term, the job forecast averages 0.6 percent per year between 2010 and 2020.
- Employment growth in services averages 2.4 percent per year over the next 5 years, compared to 5.1 percent growth between 1995 and 2000. The Information Technology sector does not contribute to any significant rebound in job creation. The hospitality and recreation services sectors begin to add net jobs this year with an acceleration of job creation in 2004.
- Population growth is forecast to average 0.6 percent per year between 2003 and 2008, compared to the 1.0 percent average over the last 5 years. The lack of housing and the unaffordability of housing in the region pose an impediment to growth.



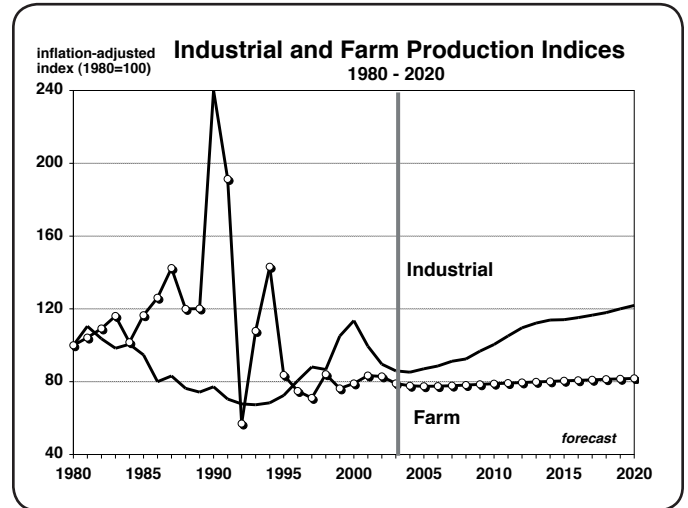
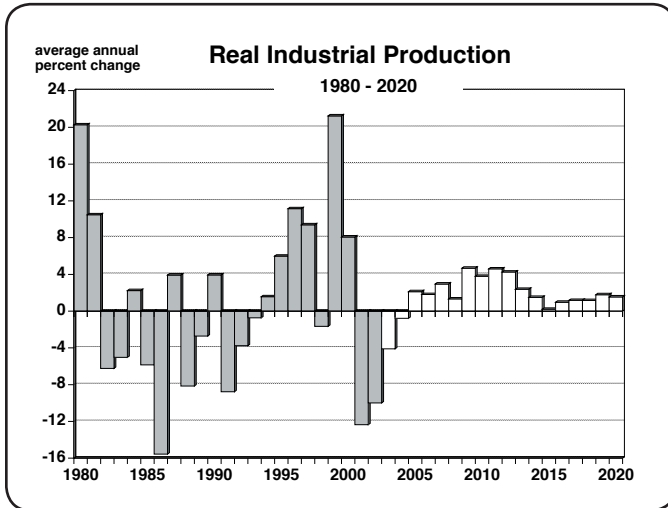
- Real per capita income rises marginally this year and next, with larger gains forecast after 2004. The annual compound rate of growth over the next 5 years is 2.0 percent. Real (inflation-adjusted) salaries in the county average \$60,000 in 2003. They are forecast to rise at an annual compound rate of 1.9 percent between 2003 and 2008.
- Over the forecast horizon, the median home price rises an average of 2.8 percent per year, adjusted for inflation. This is a sharp decline from the 11 percent average real appreciation per year between 1997 and 2002.



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1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	739,900	-4,378	428,500	309.6	515	\$6.2	\$26.2	\$45,163	\$1.8	\$11.3
1996	744,100	3,484	437,762	309.9	1,478	\$6.7	\$27.7	\$46,392	\$1.6	\$12.5
1997	749,400	3,953	418,510	309.7	1,721	\$7.0	\$30.1	\$48,288	\$1.6	\$13.7
1998	758,200	7,445	445,691	311.1	2,336	\$6.9	\$33.7	\$51,857	\$2.0	\$13.5
1999	766,500	6,926	453,905	312.7	3,811	\$7.7	\$37.0	\$54,003	\$1.9	\$16.3
2000	780,800	6,955	469,603	328.9	3,365	\$8.8	\$42.9	\$58,860	\$2.0	\$17.7
2001	788,200	-2,118	469,116	333.1	1,819	\$8.0	\$43.7	\$56,348	\$2.2	\$15.5
2002	789,800	-6,424	476,255	337.5	1,330	\$7.3	\$42.3	\$53,516	\$2.3	\$13.9
2003	786,242	-5,224	477,322	334.9	1,299	\$8.1	\$43.5	\$53,966	\$2.2	\$13.4
2004	786,315	-1,735	477,502	335.6	1,439	\$8.6	\$45.4	\$54,817	\$2.2	\$13.3
2005	790,675	2,492	476,626	336.4	1,439	\$9.1	\$48.2	\$56,250	\$2.3	\$13.5
2006	796,248	3,687	476,466	337.3	1,319	\$9.5	\$50.8	\$57,284	\$2.4	\$13.8
2007	802,388	4,241	476,900	338.2	1,228	\$9.9	\$53.7	\$58,568	\$2.4	\$14.2
2008	808,481	4,171	477,151	339.2	1,301	\$10.2	\$56.5	\$59,639	\$2.5	\$14.4
2009	814,071	3,613	477,296	340.1	1,488	\$10.6	\$59.7	\$60,947	\$2.6	\$15.1
2010	817,427	1,298	477,127	341.1	1,409	\$11.0	\$62.7	\$62,041	\$2.7	\$15.6
2011	819,676	94	477,001	341.9	1,334	\$11.4	\$65.8	\$63,159	\$2.7	\$16.3
2012	821,254	-684	476,899	342.8	1,276	\$11.8	\$68.9	\$64,187	\$2.8	\$17.0
2013	821,674	-1,955	476,849	343.7	1,171	\$12.2	\$72.2	\$65,248	\$2.9	\$17.4
2014	821,313	-2,842	476,963	344.6	1,100	\$12.6	\$75.7	\$66,644	\$3.0	\$17.7
2015	820,711	-3,173	477,407	345.4	1,060	\$13.1	\$79.6	\$68,232	\$3.1	\$17.7
2016	820,471	-2,880	478,532	346.2	1,079	\$13.8	\$84.0	\$70,074	\$3.2	\$17.9
2017	821,013	-2,154	480,103	347.1	1,114	\$14.4	\$88.7	\$71,847	\$3.3	\$18.1
2018	821,925	-1,835	481,821	347.9	1,133	\$15.1	\$94.1	\$74,037	\$3.4	\$18.3
2019	823,572	-1,153	483,707	348.8	1,165	\$15.8	\$100.6	\$76,839	\$3.5	\$18.7
2020	825,727	-701	485,533	349.6	1,194	\$16.5	\$106.6	\$79,162	\$3.6	\$18.9



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
513.7	0.4	12.1	35.6	33.9	96.3	65.5	190.4	79.5
530.2	0.4	13.2	35.4	36.0	98.0	67.1	201.0	79.2
549.5	0.2	14.8	35.3	36.9	102.4	70.5	209.5	80.0
564.1	0.3	15.9	34.5	36.3	103.9	74.5	221.7	77.0
574.9	0.2	17.4	31.6	36.5	107.1	73.2	230.2	78.8
598.2	0.3	18.3	28.7	37.1	113.8	73.5	243.5	83.0
571.7	0.3	18.5	18.0	32.5	110.9	70.4	238.7	82.4
536.0	0.3	16.3	16.0	30.0	107.9	66.9	214.6	83.9
534.8	0.3	16.1	14.9	27.1	108.6	64.9	219.1	84.0
537.0	0.3	16.3	14.3	25.1	109.2	65.3	223.1	83.4
543.1	0.3	16.8	13.9	23.9	109.8	66.9	228.1	83.2
550.1	0.3	17.3	13.8	22.7	110.5	68.3	234.0	83.2
556.5	0.3	17.7	12.6	22.5	111.1	69.1	239.9	83.2
562.6	0.3	18.0	10.9	22.9	111.7	69.3	246.3	83.2
570.5	0.3	18.3	10.6	24.0	112.4	69.0	252.8	83.1
576.5	0.3	18.4	10.3	24.4	113.2	68.1	258.9	83.0
582.4	0.3	18.6	9.9	25.4	114.1	67.1	264.2	82.7
587.3	0.3	18.7	9.9	26.5	114.9	66.1	268.4	82.5
590.8	0.3	18.7	9.9	26.9	115.8	65.0	272.0	82.3
593.0	0.3	18.8	9.4	26.7	116.4	63.9	275.3	82.1
595.3	0.3	18.9	9.1	26.1	117.2	63.0	278.7	82.0
598.6	0.3	19.0	8.6	26.1	118.1	62.5	282.0	82.0
602.3	0.3	19.2	8.7	26.1	118.9	62.2	285.0	82.0
605.8	0.3	19.4	8.3	25.6	119.7	61.8	288.5	82.1
610.4	0.3	19.7	8.3	25.3	120.6	61.5	292.6	82.2
613.8	0.3	19.9	8.1	24.5	121.3	61.1	296.1	82.5

